

# State of South Dakota

EIGHTY-FIRST SESSION  
LEGISLATIVE ASSEMBLY, 2006

508M0073

## HOUSE BILL NO. 1070

Introduced by: Representatives Peters, Buckingham, Gillespie, Klaudt, and Lange and  
Senators Gant, Apa, Earley, and Moore

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding who receives notice  
2 of hearing and charges against insurance producers and to require that persons receiving  
3 such notice also receive notice of the final determination of the matter.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 58-30-167 be amended to read as follows:

6 58-30-167. The director may suspend for not more than twelve months, or may revoke or  
7 refuse to continue, any license issued under this chapter, or any license of a surplus lines broker  
8 after a hearing. Notice of such hearing and of the charges against the licensee shall be given to  
9 the licensee ~~and to the insurers represented by such licensee or to the appointing agent of a~~  
10 ~~producer~~ at least twenty days before the hearing. The director may suspend, revoke, or refuse  
11 to issue or renew an insurance producer's license or may accept a monetary penalty in  
12 accordance with § 58-4-28.1 or any combination thereof, for any one or more of the following  
13 causes:

14 (1) Providing incorrect, misleading, incomplete, or materially untrue information in the  
15 license application;



- 1       (2)   Violating any insurance laws or rules, subpoena, or order of the director or of another  
2           state's insurance director, commissioner, or superintendent;
- 3       (3)   Obtaining or attempting to obtain a license through misrepresentation or fraud;
- 4       (4)   Withholding, misappropriating, or converting any monies or properties received in  
5           the course of doing insurance business;
- 6       (5)   Intentionally misrepresenting the terms of an actual or proposed insurance contract  
7           or application for insurance;
- 8       (6)   Having been convicted of a felony;
- 9       (7)   Having admitted or been found to have committed any insurance unfair trade practice  
10          or fraud;
- 11      (8)   Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence,  
12          untrustworthiness, or financial irresponsibility in the conduct of business in this state  
13          or elsewhere;
- 14      (9)   Having an insurance producer license, or its equivalent, denied, suspended, or  
15          revoked in any other state, province, district, or territory;
- 16      (10)  Forging another's name to an application for insurance or to any document related to  
17          an insurance transaction;
- 18      (11)  Using notes or any other reference material to complete an examination for an  
19          insurance license;
- 20      (12)  Knowingly accepting insurance business from an individual who sells, solicits, or  
21          negotiates insurance and is not licensed; or
- 22      (13)  Failing to comply with an administrative or court order imposing a child support  
23          obligation.

24      At the conclusion of the matter, the director shall send a letter to the licensee, the insurers

- 1 represented by such licensee, and the appointing agent of a producer, stating the final
- 2 determination of the matter.